

108TH CONGRESS
2D SESSION

H. R. 4193

AN ACT

To amend the Internal Revenue Code of 1986 to allow for the expansion of areas designated as renewal communities based on 2000 census data and to treat certain census tracts with low populations as low-income communities for purposes of the new markets tax credit.

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To amend the Internal Revenue Code of 1986 to allow for the expansion of areas designated as renewal communities based on 2000 census data and to treat certain census tracts with low populations as low-income communities for purposes of the new markets tax credit.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXPANSION OF DESIGNATED RENEWAL COM-**
 4 **MUNITY AREA BASED ON 2000 CENSUS DATA.**

5 (a) IN GENERAL.—Section 1400E of the Internal
 6 Revenue Code of 1986 (relating to designation of renewal
 7 communities) is amended by adding at the end the fol-
 8 lowing new subsection:

9 “(g) EXPANSION OF DESIGNATED AREA BASED ON
 10 2000 CENSUS.—

11 “(1) IN GENERAL.—At the request of all gov-
 12 ernments which nominated an area as a renewal
 13 community, the Secretary of Housing and Urban
 14 Development may expand the area of such commu-
 15 nity to include any census tract if—

16 “(A)(i) at the time such community was
 17 nominated, such community would have met the
 18 requirements of this section using 1990 census
 19 data even if such tract had been included in
 20 such community, and

21 “(ii) such tract has a poverty rate using
 22 2000 census data which exceeds the poverty
 23 rate for such tract using 1990 census data, or

24 “(B)(i) such community would be de-
 25 scribed in subparagraph (A)(i) but for the fail-

1 ure to meet one or more of the requirements of
2 paragraphs (2)(C)(i), (3)(C), and (3)(D) of
3 subsection (c) using 1990 census data,

4 “(ii) such community, including such tract,
5 has a population of not more than 200,000
6 using either 1990 census data or 2000 census
7 data,

8 “(iii) such tract meets the requirement of
9 subsection (c)(3)(C) using 2000 census data,
10 and

11 “(iv) such tract meets the requirement of
12 subparagraph (A)(ii).

13 “(2) EXCEPTION FOR CERTAIN CENSUS TRACTS
14 WITH LOW POPULATION IN 1990.—In the case of any
15 census tract which did not have a poverty rate deter-
16 mined by the Bureau of the Census using 1990 cen-
17 sus data, paragraph (1)(B) shall be applied without
18 regard to clause (iv) thereof.

19 “(3) SPECIAL RULE FOR CERTAIN CENSUS
20 TRACTS WITH LOW POPULATION IN 2000.—At the re-
21 quest of all governments which nominated an area
22 as a renewal community, the Secretary of Housing
23 and Urban Development may expand the area of
24 such community to include any census tract if—

25 “(A) either—

1 “(i) such tract has no population
2 using 2000 census data, or

3 “(ii) no poverty rate for such tract is
4 determined by the Bureau of the Census
5 using 2000 census data,

6 “(B) such tract is one of general distress,
7 and

8 “(C) such community, including such tract,
9 meets the requirements of subparagraphs (A)
10 and (B) of subsection (c)(2).

11 “(4) PERIOD IN EFFECT.—Any expansion
12 under this subsection shall take effect as provided in
13 subsection (b).”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall take effect as if included in the
16 amendments made by section 101 of the Community Re-
17 newal Tax Relief Act of 2000.

18 **SEC. 2. POPULATION CENSUS TRACTS WITH LOW POPU-**
19 **LATIONS TREATED AS LOW-INCOME COMMU-**
20 **NITIES FOR PURPOSES OF NEW MARKETS**
21 **TAX CREDIT.**

22 (a) IN GENERAL.—Subsection (e) of section 45D of
23 the Internal Revenue Code of 1986 (relating to low-income
24 community) is amended by adding at the end the following
25 new paragraph:

1 “(4) TRACTS WITH LOW POPULATION.—A pop-
2 ulation census tract with a population of less than
3 2,000 shall be treated as a low-income community
4 for purposes of this section if such tract—

5 “(A) is within an empowerment zone, the
6 designation of which is in effect under section
7 1391, and

8 “(B) is contiguous to one or more low-in-
9 come communities (determined without regard
10 to this paragraph).”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to investments made after the date
13 of the enactment of this Act.

Passed the House of Representatives May 17, 2004.

Attest:

Clerk.